

ORIGINAL

Ajo Improvement Company

P.O. Box 9

Ajo, Arizona 85321

Telephone (602) 387-2001



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March 19, 2010

Mr. Brian Bozzo
Utilities Division - Compliance Section
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007
Facsimile (602) 542-2129

Re: *Report of The Ajo Improvement Company*
Pursuant to A.A.C. R14-2-1617.G Docket E-01025A-96-0589

Dear Mr. Bozzo:

Please find enclosed the annual reports pertaining to the Consumer Information Label R14-2-1617.G Docket E-01025A-96-0589 for the period of January 1, 2009 through December 31, 2009.

Please let me know if you have any questions or comments.

Sincerely,

Roy Archer
Operations Manager

cc: Mike Patten – Roshka, DeWulf & Patten, PLC, Phx
Horst Garz – Freeport-McMoran Copper & Gold

Arizona Corporation Commission

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Report Pursuant to R14-2-1617.G

Ajo Improvement Company

For the Period January 1, 2009 through
December 31, 2009

Overview: Ajo Improvement Company ("AIC") is a Utility Distribution Company that serves approximately 1,037 customers in the vicinity of Ajo, Arizona. AIC's unbundled tariff was approved by the Commission on August 2, 2000 and became effective on September 1, 2000. As a UDC, AIC does not provide "competitive" services. To date, AIC has not sold (or been requested to sell) any unbundled services.

Information Required by R14-2-1617.G:

	Standard Offer Service	Unbundled Service
1. TYPES OF SERVICE OFFERED	1. Standard Offer Service for residential and commercial	1. distribution, metering, meter reading
2. SALES (KW, KWH) BY CUSTOMER CLASS	2. Residential: 4,893,326 Commercial: 5,381,139 Industrial: 1,348,054	2. None.
3. REVENUES FROM SALES BY CUSTOMER CLASS	3. Residential: \$601,829 Commercial: \$503,896 Industrial: \$132,597	3. None
4. NUMBER OF RETAIL CUSTOMERS	4. Residential: 869 Commercial (<21kW): 9 Commercial (21 to 999kW): 23 Commercial (>1000kW): 87 Municipal: 49	4. None.

	Standard Offer Service	Unbundled Service
5. RETAIL CONTRACT SALES	<p>5. AIC has one long-term contract (with Freeport-McMoRan Ajo Operations) Its term is longer than 4 years and includes a mixture of firm and interruptible power,</p> <p><u>Sales (kWh):</u> 2,077,945</p> <p><u>Revenues:</u> \$123,180</p>	5. None.
6. REVENUES BY SERVICE TYPE	<p>6a. Distribution \$321,029</p> <p>6b. Ancillary: 0</p> <p>6c. Must Run Units: 0</p> <p>6d. System Benefit Charges: 0</p> <p>* AIC has provided these estimated breakdowns of its Standard Offer based on its Unbundled Tariff rates.</p>	6. None.
7. VALUE OF ALL ASSETS USED TO SERVE ARIZONA CUSTOMERS AND ACCUMULATED DEPRECIATION	<p>7. <u>Fixed Assets:</u> \$ 15,492,940</p> <p><u>Depreciation:</u> \$(3,371,257)</p> <p><u>Net Asset Value:</u> \$12,121,683</p>	7. The assets will be the same assets as Standard Offer.
8. ARIZONA ELECTRIC GENERATION PLANTS	8. None.	8. None.
9. NUMBER OF AGGREGATED CUSTOMERS/TOTAL AGGREGATED LOAD	9. None.	9. None.

Consumer Information Label:

Attached is a copy of AIC's current customer information label.

CONSUMER INFORMATION LABEL
Ajo Improvement Company – Standard Offer (tariff)

Generation Price	0.08470 cents per kWh
Price Variability	None unless Arizona Corporation Commission approves changes to base generation rate or Purchased Power or Fuel Adjustor rate.
Customer Service Information	Service will be provided in accordance with the Company's approved tariff and Arizona Corporation Commission regulations. Additional information on the Standard Offer service can be obtained by contacting the Company at (520) 387-2001.
Availability	These prices and services are available to industrial, commercial and residential customers until the applicable Company tariff is modified.